



“Achieving Acquisition and Logistics Excellence”

18th Annual DoD Logistics Conference and Exhibition





Conference Sponsors

- *Department of Defense*
- *Office of Deputy Under Secretary of Defense (Logistics & Materiel Readiness)*
- *National Defense Industrial Association*
- *Logistics Management Committee (LoMC)*





Corporate Sponsors

- *Accenture*
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- *The Boeing Company*



Conference Focus

- *Future Logistics Enterprise*
- *Implementing Total Life Cycle Systems Management*
- *The Logistics Enterprise for the 21st Century*
- *Excellence in Global Value-Chain Integration*
- *Innovative Partnering and Competitive Sourcing*
- *Future Logistics, Acquisition & Financial Excellence – Next Steps*



Administrative

- Question cards will be utilized throughout the conference*
- Please turn off cellular phones and pagers*
- All presentations on web*
- We solicit your feedback*





Welcome

Lt Gen Lawrence P. Farrell, USAF (Ret.)
President & CEO
National Defense Industrial Association





NDIA Mission

- *Improve Weapon Technology*
- *Improve Defense Management*
- *Maintain a Strong Industry Defense Team*
- *Provide a Forum for Exchange of Ideas and Information between NDIA Members and Government Agencies*



NDIA Vision

*To be the Leading Defense
Association Promoting
Sound National Security
While
Advancing the Best Interests
of the
Defense Industrial Base*



NDIA Membership

- *900 Corporate Members*
- *24,000 Individual Members*
- *1300 Government Members*
- *50 Chapters Nationwide*
- *29 Committees-Divisions / 5 Industrial Committees*

Affiliates

- *National Training Systems Association*
- *Women In Defense: A National Security Organization*
- *Association for Enterprise Integration*
- *Precision Strike Association*
- *National Coordination Working Group*



2002 Issues

- *Funding America's Defense*
- *Protecting the Homeland*
- *Ensuring the Health of the Defense Industrial Base*
- *Improving Training and Logistics Support*
- *Reforming International Trade Processes
and Cultivating Foreign Relationships*
- *Focusing on Human Capital*
- *Establishing and Maintaining Information
Dominance*



Keynoter

Honorable Diane K. Morales
Deputy Under Secretary of Defense
Logistics & Materiel Readiness





Keynoter

Mr. Daniel P. Burnham
Chairman & CEO
Raytheon Company





Keynoter

BG George A. Landis, USA (Ret.)

Vice President

Business Development

DoD Programs

Raytheon Company





Keynoter

***Major General Daniel G. Mongeon
Deputy Chief of Staff for Logistics
United States Army Forces Command***



“Future Logistics Enterprise”

***Ensuring our Warfighters have the
Right Material and Information
to Conduct Military Operations***

Session Chair

***Mr. Allen W. Beckett
PDUSD (L&MR)***



Session Presenters

- *Major General Richard L. Kelly, USMC
Vice Director for Logistics, The Joint Staff*
- *Ms. Claudia “Scottie” Knott, Executive Director,
Logistics Policy & Acquisition Management,
(J-3), Defense Logistics Agency*
- *Mr. Robert T. Mason, ADUSD, Maintenance
Policy, Programs, & Resources*
- *Ms. Laura Faught, ADUSD, Logistics System
Management*
- *Mr. Lou Kratz, ADUSD, Logistics Plans &
Programs*

***Reception in Exhibit Hall
Begins at 5:30 PM***

***Conference Reconvenes
Wednesday Morning
at 8:00 AM***







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Keynoter

General Lester L. Lyles, USAF
Commander
Air Force Materiel Command



“The Journey to Excellence: Implementing Total Life Cycle Systems Management”

Session Chair / Vice Chair

Dr. Marianne E. Pietras, Independent Consultant

Mr. Lou Kratz, ADUSD, Logistics Plans & Programs



Session Presenters

- *Honorable Claude M. Bolton Jr., Assistant Secretary of the Army (Acquisition, Logistics & Technology)*
- *Mrs. Darleen Druyun, Principal Deputy Assistant Secretary of the Air Force (Acquisition & Management)*
- *Mr. Robert T. Elrod, Executive Vice President, Lockheed Martin Aeronautics Company*
- *Dr. David Spong, President, Boeing Military Aerospace Support, The Boeing Company*

Session Presenters

- *Mr. Wimpy Pybus, Deputy, Integrated Logistics Support, Office of Assistant Secretary of the Army (Acquisition, Logistics & Technology)*
- *Mr. Terry Little, Director, Acquisition Center of Excellence, HQ. U.S. Air Force*
- *Mr. Robert T. Elrod, Executive Vice President, Lockheed Martin Aeronautics Company*
- *Dr. David Spong, President, Boeing Military Aerospace Support, The Boeing Company*

Overview of Topics

- *Credibility and effectiveness*
- *Revitalization of organizations / workforce*
- *The health of the defense industrial base*
- *Rationalization of legacy systems / support*
- *Maintaining technological superiority*



Credibility and Effectiveness

- *Responsibility / Authority for TLCSM*
- *Integration of acquisition / logistics*
- *The implications of affordability*
- *Supportability as a key performance parameter*
- *Top five critical success factors*

Revitalization

- *Leadership challenges*
- *Organizational / Cultural changes*
- *Business processes redesign*
- *Aging workforce / Experience loss*
- *Recruitment / Training*



Health of the Industrial Base

- *Implications of performance-based acquisition / logistics strategies*
- *Transition to a price-based vs. cost-based approach*
- *Multi-service / multi-national programs*
- *Profitability / growth potential*



Rationalization

- *Approach for aligning budget resources and military requirements with technology*
- *Decision process for retiring weapon systems*
- *Role of system of systems approach*
- *Facilitating infrastructure reductions*
 - *DoD and industry*
- *Implications of homeland defense*
 - *National Guard and Reserves*

Technological Superiority

- *Spiral development / evolutionary acquisition*
 - *Integrating logistics planning and support*
 - *Aerospace approach for quick and effective technology insertion*
 - *C3I*
 - *weapons interface*
 - *avionics*
 - *Lessons learned from commercial models / black programs*
- 



“Moving Towards the Logistics Enterprise for the 21st Century”

Session Chair / Vice Chair

Mr. Ray Reed, Oracle Corporation

***Ms. Laura Faught, ADUSD,
Logistics System Management***



Session Presenters

- *LG Roy E. Beauchamp, USA, Deputy Commanding General, Army Materiel Command*
- *Mr. Albert Edmonds, President, Federal Government - Information Solutions, EDS*
- *Mr. David Falvey, Program Executive Director, Defense Logistics Agency*
- *Mr. Steve Perkins, Senior Vice President, Oracle Public Sector*
- *Ms. Barbara Rivera, Vice President, Government Business Unit, SAP Public Services Inc.*

Issues

- *Re-engineering efforts - Adoption of best business practices*
 - *Accountability*
 - *implementer's perspective*
 - *customer's perspective*
 - *vendor's perspective*
 - *Best Practices WRT implementation Procedures*
 - *Change Management*
- 

An Evening on the St. Johns

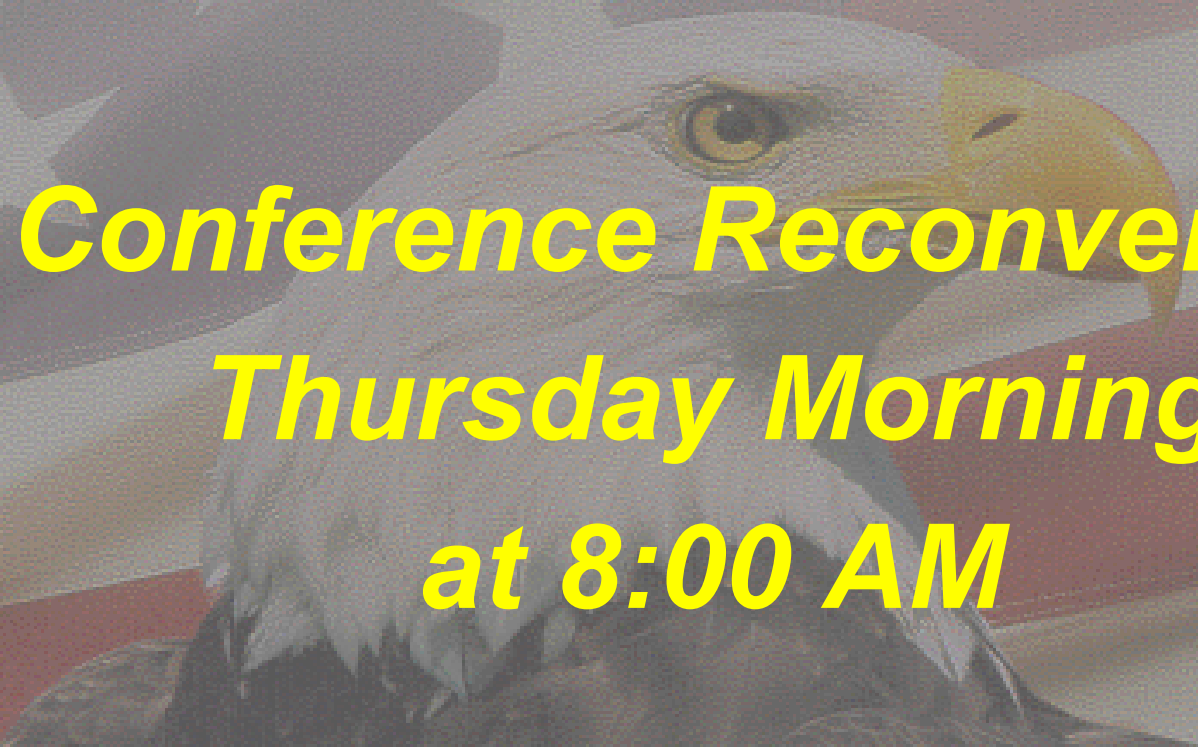
Departs at 6:30 PM

Casual Dress

Conference Reconvenes

Thursday Morning

at 8:00 AM





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Keynoter

LtGen Gary S. McKissock, USMC
Deputy Commandant
Installations & Logistics



“Achieving Excellence in Global Value-Chain Integration”

Session Chair

Mr. Chuck Huber

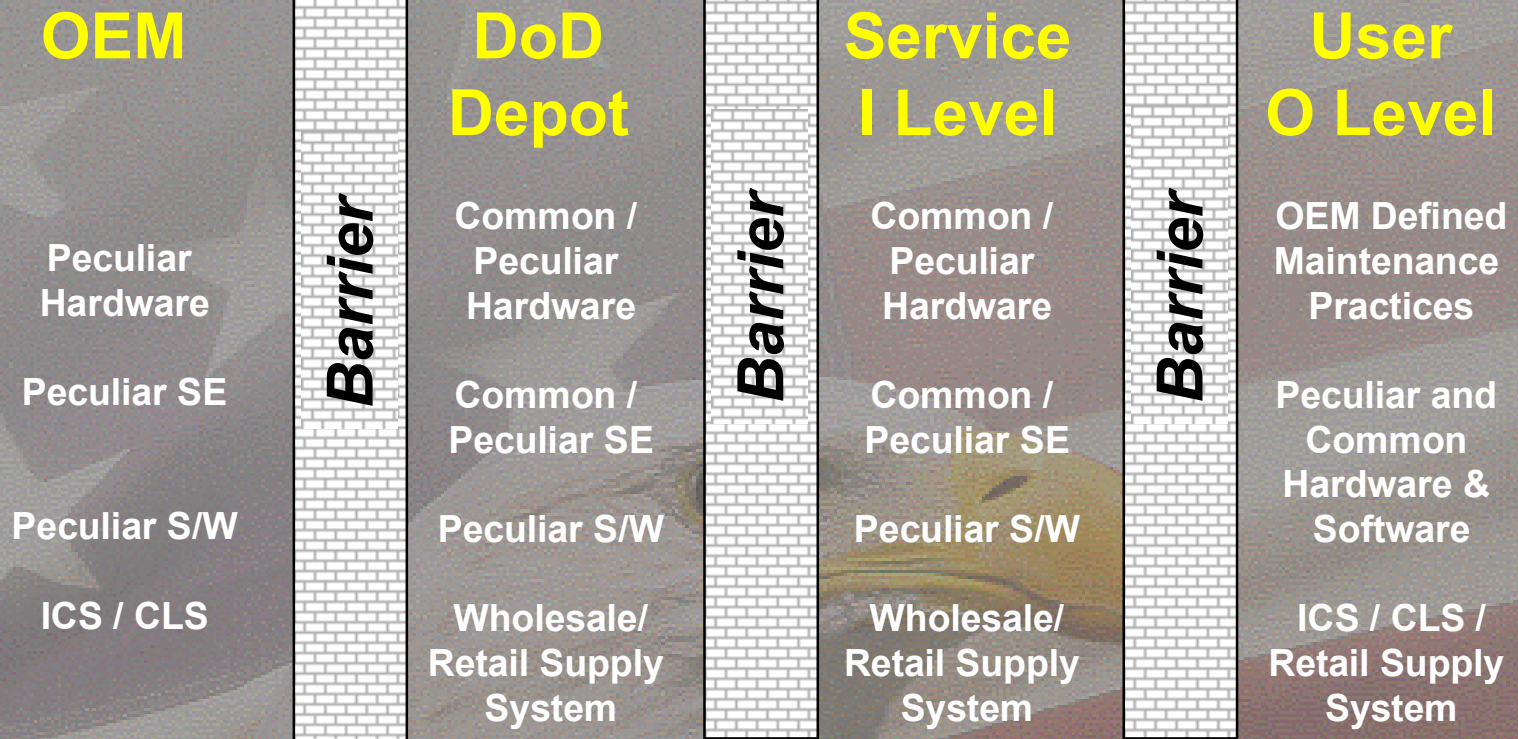
Huber Consultants International



Session Presenters

- *Mr. Frederick N. Baillie, Executive Director, Business Management, Defense Logistics Agency*
- *Mr. T.J. (Tom) Burlin, Vice President, Federal Government Industry, IBM Global Services*
- *Mr. Jeff Holmes, Senior Vice President, Manugistics*
- Mr. Eric Stange, Managing Partner, Accenture Defense Operations*

Traditional Support Approach



- **Functions Executed Independent By Different Organizations**
- **Results in Disconnects & a Fragmented Support Continuum**
- **Over 600 DoD Legacy Systems within Logistics = High Costs**
- **Segmentation of CM & Updates = High Costs & Delays**

Supply Chain Management

Attempts to address the needs of buyers, sellers & users:

- **System Primes** – manufactures weapons system
- **Original Equipment Manufactures** – specialized companies that design & manufacture systems
- **Component and Parts Suppliers** – worldwide base
- **System Operators** – military and/or commercial
- **Maintenance, Repair & Overhaul Centers** – worldwide base
- **Distributors** – provide services such as inventory management, order processing, transportation, etc.

Integrated Value Added Business Structure



The Integrated Value Chain is the process in which Multiple Enterprises within a shared market Cooperatively Plan, Implement, and Manage (electronically and physically) the flow of Goods, Services, and Information from Point of Origin to Point of Consumption in a manner that increases Customer-Perceived Value and optimizes the Efficiency of the Chain, thus creating a competitive advantage for all stakeholders involved.

Emerging Trends in Aerospace


- Recent rush to B2B independently owned exchanges which allows competitors to join forces and combine their buying power – without having to merge with each other
- Growing consensus in Aerospace that standards and systems should focus on developing “neutral” data bases, be XML compliant, and utilize ISO 10303 (STEP) & human readable data matrix / linear bar coding
- Value creation through co-opetition vice competition
- Harmonized (vice discrete) approach to maintenance which also helps smaller suppliers to compete

Logistics Community Philosophy

Must be Web-Based, Multi-Layer, Configurable, and Fully Integrated Software & Hardware Architecture Capable of:

- **Material Management** including purchase, repair, receiving, issue, & delivery integrated with B2B
- **Maintenance Management** including engineering, planning, and production
- **Training Management** including individual & group training, certification tracking, and forecasting of training requirements
- **Operations Management** including data management, reliability & maintainability analysis, linked portable aids

Final Thoughts

- Value must be viewed from the Customer's Perspective
 - Value must be Measured
 - Flow must be Optimization
 - optimize products and services
 - not organizations and people
 - Focus on Pull
 - Strive for Perfection through rapid feedback & mistake proofing
 - Today's state-of-the-art "system" is tomorrow's museum piece
- 

Co-opetition vs. Competition

- Co-opetition offers a theory of value. It's about creating value and capturing value. There's a fundamental duality here: whereas creating value is an inherently cooperative process, capturing value is inherently competitive.
- To create value, people can't act in isolation. They have to recognize their interdependence. To create value, a business needs to align itself with customers, suppliers, employees, and many others. That's the way to develop new markets and expand existing ones

“Achieving Logistics Excellence Through Innovative Partnering and Competitive Sourcing”

Session Chair / Vice Chair

Mr. Jack Blalock, Northrop Grumman Newport News

***Mr. Joe Sikes, Director, DoD Competitive
Sourcing & Privatization***



Session Presenters

- *BG Jeanette K. Edmunds, USA, Director for Sustainment, Deputy Chief of Staff (G4), Department of the Army*
- *Mr. Glenn E. Hess, Vice President & GM, Aerospace Support & Maintenance, The Boeing Company*
- *Mr. Robert T. Mason, ADUSD Maintenance Policy, Programs & Resources*
- *Mr. Paul Solomon, Deputy Director, DoD Competitive Sourcing and Privatization*

“Logistics, Acquisition, Financial Excellence – Next Steps”

***Mr. Allen Beckett
PDUSD (L&MR)***

***Mr. Jack D. Garrison, Chairman,
Logistics Management Committee and
Director, Integrated Logistics Programs
Lockheed Martin Corporation***





Logistics Management Committee (LoMC)

- *Subcommittee on Acquisition Logistics*
- *Subcommittee on Value-Chain Integration*
- *Subcommittee on Competitive Sourcing & Partnerships*
- *Subcommittee on Membership & Awards*





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19th Annual DoD Logistics Conference and Exhibition

March 2nd –7th, 2003

New Orleans, LA

Sheraton New Orleans



Upcoming Events

NDIA - Defense Acquisition University Presents a Workshop on Buying Performance Fort Belvoir, VA



Upcoming Events

Logistics Management Committee (LoMC) Meeting

May 16, 2002 @ 11:00 AM

*NDIA Headquarters
Arlington, VA*





Thanks

*On behalf of the Department of Defense,
The National Defense Industrial Association,
and
The Logistic Management Committee
We thank each of you for your participation
and we hope to see everyone in New Orleans*



The background of the image is a close-up, slightly blurred view of the American flag. The stars and stripes are visible, with the blue field of stars on the left and the red and white stripes on the right. The flag appears to be waving or draped.

May God Bless America